



Idaho Cattle Association

July 5, 2005

Docket No. 05-015-1
Regulatory Analysis and Development, PPD
APHIS, Station 3C71
4700 River Road, Unit 118
Riverdale, MD 20737-1238

RE: Docket No. 05-015-1

On behalf of the Idaho Cattle Association (ICA), a member driven organization representing over 1100 cow/calf operators, seedstock producers, and feeders from across Idaho, I am writing in response to USDA's request for comments regarding the Draft Strategic Plan and Draft Program Standards documents for the National Animal Identification System (NAIS).

Over the past several years, ICA members, volunteers, leaders and staff have spent a great deal of effort working on and following the development of animal identification issues in the U.S. In November 2004, these efforts intensified, as we became involved with and began to help facilitate the USDA-supported Northwest Pilot Project (NWPP) out of our office. While we respectfully request that USDA review the thorough comments submitted by the NWPP in regards to the NAIS, we would like to re-emphasize our members' most critical concerns regarding the NAIS in the following paragraphs.

▪ **The NAIS must market-driven and have an industry-led database:**

According to ICA policy, one of the most important elements of the NAIS to our members is that the identification system that is developed in the U.S. be market driven and as least burdensome in terms of cost and production practices on the industry as possible, while still ensuring the program is credible and effective. In order to accomplish all of these goals simultaneously, ICA feels that the animal tracking database for the NAIS must be developed by the industry. The impact of the NAIS currently being developed by the USDA will be more directly felt by the industry than any other stakeholder engaged in the process. Therefore, we feel that the industry should control the system since the largest impact, both good and bad, will be borne by the industry.

It is critically important that the NAIS is developed in a way that will encourage industry participation while simultaneously providing animal health authorities with the information they require for disease tracking purposes. The ICA feels that one of the ways to encourage widespread industry participation in the NAIS is to protect the confidentiality of the information submitted as part of the system from public disclosure or abuse. An industry-held database would provide additional protection for keeping the information submitted by producers as part of the NAIS confidential and outside of the public domain.

Similarly, we feel that if the NAIS has value in the marketplace, producers will be quicker to adopt it and invest in the system, because the marketplace will help pay for system implementation. The NAIS, in and of

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itself, as designed by the USDA, has little or no marketplace value to the individual producer within the cattle production chain because by definition, its purpose is to only provide animal health traceability, which provides a reduction of risk to the industry as a whole but creates little value directly to the producer. The NAIS can serve as the backbone, along with other service providers, to provide value-added propositions currently in demand, such as age verification, source verification, and quality traceability. We strongly feel that identifying these types of ever changing value-added opportunities, integrating them into the NAIS, and utilizing them in the marketplace is clearly more effectively accomplished through an industry sponsored identification system.

Realistically, there will never be enough federal or state government resources to pay for and provide all of the necessary infrastructure, training, or other system components essential to the successful execution of the NAIS. Therefore, market incentives, operating through an industry-led system, must play a major role in moving the NAIS forward, and will thereby help to ensure that implementation of the system does not hurt the viability of any sector of the cattle industry by imposing unreasonable costs or market disruption.

▪ **The NAIS must mirror the flow of commerce and minimize the barriers of compliance.**

As our members have participated in the NWPP and our staff has helped to coordinate the project, the ICA has seen that having a NAIS that mirrors the natural flow of commerce and minimizes the barriers of compliance for producers is absolutely essential to the success of the overall program. Some of the key concerns that we have with the current NAIS Strategic Plan is the lack of inclusion of group lot identification for cattle (as discussed below), the ability of a government-driven system to adequately protect producer confidentiality, and the potential costs involved (in terms of time, management practices, and money) in implementing the NAIS as currently outlined by USDA. These issues not only have the potential to conflict with the current flow of commerce in our region, but they also represent significant barriers of compliance for our members.

The issue of confidentiality, whether real or perceived, is a major concern to producers in Idaho. Our cattlemen are concerned that a government database will expose the industry to additional liability and risk. As submitted by the NWPP in their NAIS comments, we feel that one of the ways that this barrier can be minimized is through having an industry controlled database at the heart of the NAIS system (as discussed in more detail above). A private database would not only provide an additional firewall to protect producer information, but it would also lead to more ready acceptance and adoption of the NAIS by producers. At the same time, an industry controlled database would in no way limit the information that could be provided to federal and state animal health authorities when needed.

Further, the costs of adoption of the NAIS also has the potential to be a major barrier of compliance and will also play a significant role in determining if and when a mandatory system will be required. We strongly feel that there will be a higher level of voluntary industry participation, and the speed of adoption of the NAIS will be significantly faster, if the costs are minimized through an efficient system which mirrors the flow of commerce.

▪ **The NAIS must be implemented faster than USDA's timeframe currently allows.**

Generally, we feel that the USDA timeframe for NAIS implementation, calling for a mandatory and functional system by January 2009, is not aggressive enough. During the eight months that our members and staff have been working on the NWPP, we have seen a dramatic transition in the attitudes of producers in Idaho regarding the NAIS. As the industry has become more informed about identification issues and market pressures, producers realize that in order for the U.S. cattle industry to maintain our competitive edge in the global marketplace, the NAIS must be initiated within a very aggressive time frame. As stated above, we believe that an industry-led database will allow for more rapid adoption of the NAIS and broader implementation of the program across the industry, thereby helping the U.S. remain as a major player in the world beef market, while at the same time, protecting animal health at an unprecedented level in our country.

In order for the U.S. cattle industry to remain competitive in the global beef market and to meet the demands of domestic and foreign consumers alike, we feel that the U.S. must quickly and rationally implement the NAIS. Our producers recognize that each year that we wait is another year our customers will look to other suppliers that can provide the beef products that meet their demands. As foreign markets for beef consider reopening their borders since the discovery of BSE in North America, our efforts to regain a significant portion of our global market share will be hampered because of the lack of a national animal tracking program in the U.S. It appears that the USDA's ability to accelerate the implementation of the NAIS is very limited, mostly because of the due process that comes along with being a government entity. This is unacceptable and, as stated by the NWPP, the NAIS must move at a much more accelerated pace than what the USDA currently supports.

▪ **The NAIS must recognize group lot ID as a viable option for the cattle industry.**

As Idaho producers have worked with the NWPP, one of the most important options for tracking animal movements in the production scenarios common to our state has been group lot identification. Currently, however, the NAIS Draft Program Standards all but dismisses the use of this form of identification for the cattle industry. The Draft Program Standards states that group lot identification for cattle is only acceptable "if they are managed and moved through the production chain as a group" (page 12, Goals, Key Components and Guiding Principles).

In Idaho, it is common for groups of animals to be moved and managed together in situations where uniquely identifying individual animals is virtually impossible without causing a serious and often detrimental change in the way business is conducted. Given the remote locations of many Western cattle operations and our heavy dependence on public land grazing allotments, reading an individual ID tag is difficult at best, if not impossible. Even if handling systems that would enable the reading of individual identification numbers were available, they are typically not used when shipping cattle because of the amount of time involved, the shrink in animal weight that occurs, and the risk of injury to the livestock. In these types of scenarios, group lot animal identification mirrors the natural flow of commerce and how business is conducted by these producers. Thus, we feel strongly that group lot identification for cattle should be fully supported in the NAIS.

Through our experience with the NWPP, we have seen that producers will gravitate to the form of identification that most closely mirrors the way they do business and that is effective and efficient for their operation. The NWPP has clearly shown that while group lot identification will not work in certain circumstances, in some production scenarios, it is the only way cattle can be identified and their movements recorded. Thus, the group lot concept is critically important for moving the NAIS forward in a productive and effective way.

The ICA greatly appreciates the opportunity to submit these comments to USDA on behalf of our members. We realize that many difficult decisions must be made as we work towards implementation of the NAIS, and we appreciate the chance to be a part of that process. If you would like additional information or clarification of any of these comments, please contact Julie Morrison, ICA staff member and NWPP coordinator at the ICA office at (208) 343-1615 or julie@idahocattle.org.

Sincerely,

Ernie Robinson
ICA President